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ORIGINAL

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS LICENSE NUMBER.

STATE OF TEXAS

COUNTY OF TARRANT

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KNOW ALL MEN BY THESE PRESENTS:

FILED AS RECEIVED

GREATER MEADOWBROOK COMMUNITY OIL AND GAS LEASE
(No Surface Use Permitted)

This COMMUNITY OIL AND GAS LEASE (No Surface Use Permitted) is made and effective this 1st day of April 2008 (the "Effective Date"), by and between the parties listed on Schedule I hereto whose addresses are listed on Schedule I hereto (hereafter sometimes collectively referred to as the "Lessors" and individually as "Lessor"), and XTO ENERGY INC. whose address is 810 Houston Street, Fort Worth, Texas 76102 (hereinafter "Lessee").

1. **GRANTING CLAUSE.** Lessors, in consideration of lease bonus in hand paid, and other good and valuable consideration in hand paid by Lessee, the receipt of which is hereby acknowledged, and in consideration of the royalties herein provided, and the covenants, agreements and obligations of Lessee herein contained, and upon and subject to the conditions and with the limitations hereinafter set forth, hereby grant, let and demise exclusively unto the said Lessee, for the exclusive purpose of drilling for, producing and marketing oil, gas and other liquid and gaseous hydrocarbons and their constituent elements, if any, produced in association with oil or gas, from that certain tract of land situated in Tarrant County, Texas, being described and depicted on attached Exhibit A. (herein called "Leased Premises"). It is understood that this Lease shall cover the Leased Premises, but all interest owners within the Leased Premises may not join in the execution of this Lease. This Lease shall be binding upon each party who executes it without regard to whether it is executed by any other interest owners within the Leased Premises. Each undersigned Lessor is the current mineral owner of that certain tract or tracts within the Leased Premises which are more particularly described in attached Schedule 1 under the signature block for such Lessor. It is further understood that additional interest owners within the Leased Premises may join in the execution of this Lease at a later date. However, no party may join in the execution of this Lease after the first well attributable to the Leased Premises is spud by Lessee. Within thirty (30) days of completion of the first well drilled hereunder as a producing well, Lessee shall file an Affidavit in the public records of Tarrant County, Texas, stating the total number of surface acres covered by this Lease.

"Leased Premises" shall include street frontage measured to the centerline of the street alleyways, easements, gores or strips of land adjacent and contiguous thereto, such lands being owned collectively by Lessors by separate ownership. If any additional acreage is included in this Lease pursuant to the foregoing sentence prior to the first well being spud, then bonus and royalties shall be calculated and paid as to such additional acreage on the same terms as it is calculated and paid as bonus consideration for execution of this lease covering the land specifically described above. Subject to the additional bonus described above, the acreage

identified on Schedule 1 regarding each of the undersigned Lessor parties' tracts within the Leased Premises shall be conclusive as to determining each of the undersigned Lessor parties' proportionate share of this community lease and for calculations regarding royalty, shut-in, and other payment obligations under this Lease.

This lease does not grant to Lessee any right to explore for or produce any mineral or other substance except for oil, gas and other liquid and gaseous hydrocarbons and their constituent elements, if any, produced in association with oil or gas. This lease is a communitized lease and each of the Lessor parties own an interest in one or more tracts included within the Leased Premises covered by this Lease. The Lessors' interests in all oil and gas in and under the Leased Premises are intended to be communitized. It is agreed among the Lessors that the royalty proceeds accruing to the Leased Premises for the duration of this lease shall be contractually shared among the several Lessors, their successors and assigns, in proportion to their net mineral acre ownership in the total net mineral acres in the Leased Premises held under this lease.

2. **PRIMARY TERM.** This lease shall remain in force and effect for a term of five (5) years from the Effective Date set out above (herein called 'Primary Term'), and as long thereafter as there is production in paying quantities or a well capable of producing in paying quantities pursuant to paragraph 4 below, from any portion of the Leased Premises. If at the end of the primary Term, or at any time thereafter, this lease is not otherwise being maintained in force and effect but Lessee is then engaged in actual drilling, reworking, recompleting, fracing, repairing, or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no interruption of more than sixty (60) consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is a well capable of producing in paying quantities from the Leased Premises or lands pooled therewith.

3. **ROYALTY.** As royalty, Lessee covenants and agrees to pay to Lessors:

(a) TWENTY-SIX AND A HALF percent (26.5%), of all oil and gas and other liquid hydrocarbons, produced and saved from the Leased Premises, to be delivered at Lessors' option at the wellhead or to Lessors' credit at the oil purchaser's transportation facilities on the Leased Premises, or, at Lessors' option, 26.5% of the value thereof, all free of all costs and expenses. All oil and liquid hydrocarbons (including those referred to in paragraph (c) below) shall be measured in tanks of Lessee or by accurate liquid meters.

(b) Twenty Six and a half percent (26.5%) of the value at the well, subject to the provisions herein, of all gas (including casinghead gas) and all other substances (excluding oil) covered hereby. For purposes hereof, "value" is defined as the price actually received by Lessee for the sale of gas and all other substances (excluding oil) produced and saved hereunder, provided the same is sold under an arms-length and competitively negotiated contract for the sale of such product. Upon request, Lessee shall make available for Lessors' review a summary of the pricing provisions of any gas contract entered into between Lessee and such unaffiliated entity for gas sold from the Leased Premises; and Lessors shall not disclose the terms of such contract to any party without the prior written consent of Lessee. Lessors shall also be entitled to their

26.5% royalty share of any take-or-pay or similar payments received in connection with any gas contract modification or termination.

(c) Notwithstanding anything herein to the contrary, it is expressly understood and agreed and made an express condition of this lease, that Lessors' royalties accruing under this lease shall be determined and delivered to Lessors free of any deduction for any affiliated costs of development, production, compression, processing, treating, gathering, transportation, delivery, marketing, or any part of the costs of construction, operation, or depreciation of any plant or other facilities or equipment used in the handling of oil or gas. However, if a third party, that is not an affiliate of Lessee, compresses, transports, processes or treats gas produced from the Land, Lessors' royalty will bear its proportionate share of costs and expenses associated therewith; provided, however, said unaffiliated costs and expenses shall never exceed \$0.55 per Mcf. Additionally, Lessors' royalty will bear its share of taxes of any character applicable to Lessors' share of production that are paid by Lessee. It is the intent of the parties that the foregoing provisions of this subparagraph 3(c) are to be fully enforceable and effective and are not to be construed as "surplusage" under the principles set forth in *Heritage Resources v. NationsBank*, 939 S.W.2d 118 (Tex. 1997). In the event that any part of this Paragraph (c) is deemed to be unenforceable as it relates to expenses accruing to the Royalty Interest, those expenses accrued to the Royalty Interest shall be reimbursed with subsequent Royalty payments.

(d) After the expiration of the primary term, if there is a well capable of producing gas in paying quantities on the Leased Premises or lands pooled therewith, but the well is shut-in for any reason for a period of ninety (90) consecutive days and this lease is not then being maintained by other production or operations, then on or before sixty (60) days following the end of such ninety (90) day period, Lessee shall tender or pay as shut-in royalty hereunder the sum of \$20,000 per shut-in well, divided proportionately among the undersigned parties, which payment shall maintain this lease in full force and effect for a period of one (1) year from the date such well is shut-in, and it will be considered that gas is being produced hereunder in paying quantities. Lessee may exercise its right to make shut-in royalty payments as provided for herein from time to time. Notwithstanding anything to the contrary contained in this lease, should a shut-in royalty payment not be properly made in a timely manner as provided for in this lease to an undersigned Lessor, unless there is then in effect another applicable preservation provision of this lease, such Lessor may, at Lessor's option, elect to terminate that portion of this Lease covering such Lessor's tract(s) included within the Leased Premises by sending written notice to Lessee by certified mail. Lessee shall then have thirty (30) days from the date of service of such written notice in which to avoid termination of the applicable portion this lease by making or causing to be made the proper shut-in royalty payment. If such shut-in royalty payment is not made on or before the expiration of said 30 day period, or written approval is not obtained from Lessor to defer such payment, Lessor may elect to terminate the applicable portion of this lease by filing a Notice of Termination with the County Clerk in the county where the lease premises are located. The effective date of said termination shall be the date said Notice of Termination is filed with the said County Clerk. Notwithstanding anything herein to the contrary, this lease shall not be maintained by shut-in royalty payments for a period longer than two (2) consecutive years. A well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such the well is shut-in shall be when the completion report is filed with the Texas Railroad Commission.

(e) No more than once every twelve (12) months, Lessors shall have the right but not the obligation to appoint a single representative to audit the accounts and records of Lessee, its successors and assigns, relating to the Leased Premises and to its operations under this lease; provided, however, such audit rights shall not extend to any period or periods twenty-four (24) months prior to the date of such audit notice. Lessors may appoint any duly qualified representative to conduct such audit after written notice to Lessee at Lessee's last known address of the identity of the person to conduct the audit on behalf of all Lessors, such audit to be conducted within sixty (60) days following written notice to Lessee. Such right shall be exercised by Lessors by giving Lessee written notice and such audit shall only be conducted during usual and customary business hours. If the audit reveals an underpayment greater than \$50,000, Lessee shall reimburse Lessors for the costs of the audit within a reasonable period of time after presentation of such audit invoice to Lessee but in no event shall such payment occur after the expiration of ninety (90) days following presentation to Lessee of such invoice.

(f) Unless there is a reasonable title dispute or question as to title, Initial royalty payments shall be due within one hundred and twenty (120) days after the end of the month in which first sales are made. All subsequent royalty payments shall be due within thirty (30) days after the end of the month for oil and sixty (60) days for gas in which production is sold. Should Lessee fail to pay such royalty within such time, then Lessee shall pay to Lessors interest on said accrued royalties at the rate of the lesser of the maximum rate permitted by law or the average prime interest rate charged by the two largest banks in Tarrant County, Texas, plus two percent (2%), from the due date until the date of payment. The rights of Lessors under this paragraph shall be in addition to, and not in lieu of all rights Lessors may have as to payment of royalty under V.T.C.A. Natural Resources Code §§ 91.401 through 91.405.

(g) The term "affiliate of Lessee", as used herein, means and includes any individual, firm, corporation, partnership, limited liability company, association, joint stock company, pension fund, trust or trustee thereof, estate or executor thereof, unincorporated organization or joint venture, or any other legally recognizable entity that (a) directly or indirectly owns, controls or holds with power to vote 10% or more of the outstanding voting securities of Lessee, (b) 10% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by Lessee, or (c) directly or indirectly controls, is controlled by or is under common control with Lessee. In the event gas, oil or byproducts shall be sold to an affiliate of Lessee, the value of such shall be determined through the use of market value index prices for the month of production as set forth in Published Indices. For purposes of this lease, "Published Indices" must be industry recognized published price references, unaffiliated with Lessee, which reflect the market value for oil, gas, or byproducts produced in Tarrant County, Texas. In the event Published Indices are unavailable for gas produced in Tarrant County, Texas, Published Indices for the Houston Ship Channel shall be used, with an appropriate deduction for the cost of transmission of the gas through common carrier transmission lines from the field to the Houston Ship Channel. The Published Indices relied upon to determine the value of Lessors' oil, gas or byproducts may be changed from time to time in order to always reflect the true market value of the oil, gas or byproducts produced from the Leased Premises.

(h) If Lessor owns a mineral interest in the Leased Premises less than the entire mineral estate, the royalties to be paid Lessor shall be reduced proportionately.

4. **PAYING QUANTITIES.** For purposes hereof, "paying quantities" is defined as revenue from the sale of production from a well sufficient to return a profit, after deduction of royalties,

overriding royalties and production taxes, over and above all direct operating costs, including capital costs or district office overhead not directly attributable to the Leased Premises, for any consecutive six (6) month period, without regard as to whether a reasonably prudent operator would continue to operate such well or wells.

5. **POOLING.** Lessee is hereby granted the right to pool all or any portions of the Leased Premises with other adjoining land, lease, or leases, into pooled units for a horizontal well (or wells), however, each pooled unit shall not exceed six hundred and forty (640) acres (the "Pooled Unit"). Lessee shall execute an instrument identifying the Pooled Unit and file it for record in the public office in which this lease is recorded and, upon request, provide a copy thereof to Lessors. If operations are being conducted for drilling on or production of oil or gas from any part of the Pooled Unit, such operations or production shall be considered as operations for drilling on or production of oil and gas from the Leased Premises. For the purpose of computing the royalties to which owners of royalties and payments out of production shall be entitled on production of oil and gas from any pooled unit, there shall be allocated to the Leased Premises that pro rata portion of the oil and gas produced from the Pooled Unit which the number of surface acres of the Leased Premises included in the Pooled Unit bears to the total number of surface acres included in the Pooled Unit. Such allocation shall be on an acreage basis—that is to say, there shall be allocated to the Pooled Unit that pro rata portion of all of the oil and gas, or either of them, produced from the Pooled Unit which the number of surface acres covered by this lease and included in the Pooled Unit bears to the total number of acres in the Pooled Unit. All of the undersigned parties shall participate proportionately in any part of the Leased Premises that is included in a pooled unit.

6. **CONTINUOUS OPERATIONS.** After the primary term, if Lessee drills a well which is incapable of producing in paying quantities (hereafter "dry hole") on the leased premises or on lands pooled therewith, or if production (whether or not in paying quantities) permanently ceases due to any cause, including a revision of unit boundaries pursuant to the pooling provisions of this lease or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force, it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production from the leased premises or from lands pooled therewith within ninety (90) days after completion of operations on such dry hole or within ninety (90) days after such cessation of production. If at the end of the primary term, or any time thereafter, this lease is not otherwise being maintained in force, but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than ninety (90) consecutive days; and, if any such operations shall result in the production of oil or gas as governed by the terms of this lease, as long thereafter as there is production in paying quantities from the leased premises or from any lands pooled therewith. After completion of a well capable of producing in paying quantities according to the terms hereof, Lessee shall drill such additional well or wells on the leased premises or on lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to any formations then capable of producing in paying quantities from the leased premises or from lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith.

7. **ASSIGNMENT.** The interest of the parties hereunder may be assigned, mortgaged or transferred in whole or in part, but no change or division in ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder. No change or division in ownership permitted hereunder shall be binding on Lessor until thirty (30) days after Lessee has been furnished the original or certified or duly authenticated copies of the documents evidencing such change of ownership. The rights and obligations of the parties hereunder shall extend to their respective heirs, successors and assigns. All assignments and subleases by Lessee must require the assignee or sublessee to assume all of Lessee's obligations under this Lease.

8. **PROTECTION OF THE SURFACE.**

(a) Notwithstanding anything herein to the contrary, but subject to subparagraph 7(b) below, Lessee, its successors and assigns, shall have no right to enter upon, conduct any drilling or other surface operations of any nature, or place any facilities or structures of any kind on, over or across, any portion of the surface of the Leased Premises (including, but not limited to, exploration activities of any nature, the laying of pipelines, the building of roads, tanks, power stations, telephone lines, flow lines, electric power lines, tank batteries, or treaters). Provided however, Lessee shall have the limited right to enter the Leased Premises with a subsurface horizontal or directional well bore in an effort to explore for and develop oil and gas under the Leased Premises, provided that such operations do not interfere with the surface of the Leased Premises or the subsurface support of any improvements constructed on the Leased Premises. Lessee shall make all reasonable efforts to comply with the Gas Drilling Ordinance of the City of Fort Worth limiting use to commercially designated routes and further agrees not to use residential or neighborhood streets or thoroughfares in developing the leased premises, any lands pooled therewith or otherwise.

(b) No seismic or other geophysical operations may be conducted by Lessee other than vibrosis seismic operations. No bulldozers, earth moving, explosives or brush clearing machines may be used in any seismic operations conducted on the Leased Premises without the prior written consent of Lessors. Lessee must strictly comply with all state, city and county regulations inclusive of any Federal regulations governing seismic activities to the extent not pre-empted by Texas law. Lessee agrees to minimize surface disturbances, and at the conclusion of the operations any surface disturbances will be restored and any debris will be removed from the Land within a reasonable period of time, and Lessee agrees to restore the surface topography to the condition it was in immediately preceding the commencement of such seismic operations. Lessee agrees to pay directly to any damaged party any damages caused by its seismic operations with such damages to be paid by Lessee within a reasonable period of time after liability has been assessed and become reasonably clear irrespective of whether such damage is suffered by a party to this agreement or by an affected property owner.

9. **INDEMNITY:** Lessee, its successors and assigns, agree to release, indemnify, and hold harmless Lessors, and their respective officers, owners, family members, guests, invitees, and any of their heirs, successors, agents and employees (collectively, the "**Indemnified Parties**"), from any and all costs, losses, claims, judgments, settlements, and damages of every kind and character to real property, personal property or persons (including, without limitation, claims involving environmental laws and regulations, pollution, contamination of ground waters, personal injury and death), lawsuits and/or causes of action (including reasonable attorneys' fees, expert fees and court costs) (collectively "**Claims**"), **INCLUDING CLAIMS CAUSED BY THE JOINT OR CONCURRENT NEGLIGENCE, OMISSION OR STRICT**

LIABILITY OF ANY OF THE INDEMNIFIED PARTIES (EXCLUDING GROSS NEGLIGENCE AND WILLFUL MISCONDUCT), which are caused by the activities of Lessee and Lessee's agents, invitees, guests, contractors, oil or gas purchasers, oil or gas transporters, servants and employees, whether acting within the scope of their employment or not, and whether negligent or not, on the Leased Premises, or any adjacent property, including, without limitation, any Claims arising from loss of subsurface support of the Leased Premises and any Claims arising from the production or transportation of oil or gas produced from the Leased Premises or lands pooled therewith. For purposes of this Paragraph 8 and Paragraph 9 of this lease, environmental laws and regulations include, without limitation, the federal Oil Pollution Act (OPA), the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the federal Resource Conservation and Recovery Act (RCRA), the federal Clean Water Act, the Texas Solid Waste Disposal Act (TSWDA), the Texas Water Code (TWC), and the federal, state and local rules, regulations, ordinances, orders and governmental directives implementing such statutes. The Lessee's obligations in this Paragraph 8 shall survive the termination of this lease.

10. **ENVIRONMENTAL LIABILITY.** As used in this lease, the term "**Hazardous Materials**" means any substance or material defined or identified as hazardous, extra-hazardous, toxic or radioactive or subject to regulation as a solid waste or pollutant under any applicable federal, state, or local statute or regulation including, without limitation, the environmental laws and regulations referenced in paragraph 8 of this lease. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action ("action"), or pursuant to any federal, state or local statute, rule, regulation, ordinance, order, governmental directive or other laws ("law"). Lessee agrees, for the benefit of the Lessors, (1) to remove from the Leased Premises, if, as and when required by any action or law, any Hazardous Materials placed or released thereon by Lessee (including its drillers and other contractors), (2) to perform Remedial Work where the need therefore arises in connection with Lessee's (including its drillers' and other contractors') operations or activities on the Leased Premises or any adjacent property, and (3) to comply in all respects with all laws governing operations by Lessee (including its drillers and other contractors) and Remedial Work on or associated with the Leased Premises and any adjacent property. Remedial Work shall be performed by one or more contractors selected by Lessee under the supervision of an engineer selected by Lessee. All costs and expenses of Remedial Work resulting from Lessee's (including its drillers' and other contractors') operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessors' reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessors may (but shall not be required to), after first giving Lessee thirty (30) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. The provisions of this paragraph shall not constitute approval or obligate Lessors to consent to the imposition of any engineering or institutional control that would restrict or limit future use of the Leased Premises for any purpose including, without limitation, any deed restriction or limitation on the use of groundwater or use of the property for residential purposes. Lessee will notify Lessors of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on the Leased Premises or any adjoining property and provide Lessors with copies of (1) any notice of any actual or threatened release of Hazardous Materials given by Lessee pursuant to any law and (2) any report of and response to

any such release including all Remedial Work. Lessee, its successors and assigns, in accordance with the provisions of paragraph 8, will release, indemnify, pay and protect the Indemnified Parties harmless from all claims, liabilities, fees and expenses of any kind (including reasonable attorneys' fees, expert fees and costs) that arise from the actual presence or release of any Hazardous Materials in connection with the operations of Lessee and Lessee's agents, invitees, guests, contractors, servants and employees on the Leased Premises or any adjacent property. Such indemnification shall include, without limitation, costs in connection with any Remedial Work performed by Lessors, or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand by the Lessors. The Lessee's obligations in this Paragraph 9 shall survive the termination of this lease.

11. **INSURANCE.** Lessee, at its own expense, shall maintain a general liability insurance policy (covering both bodily injury and property damage and covering its indemnity obligations under paragraphs 8 and 9 of this lease) in an amount of not less than \$5,000,000.00 combined single limit. Lessee shall also, at its own expense, carry worker's compensation insurance as required by law.

12. **FORCE MAJEURE.** Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon, from producing oil or gas therefrom, by reason of fire, storm, flood, war, riot, strike or by act of God, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended for a period not to exceed two (2) consecutive years, and Lessee shall not be liable in damages for failure to comply therewith, and this lease shall be extended for a period not to exceed two (2) consecutive years while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on, or producing oil and gas from, the Leased Premises or lands pooled therewith, and the time while Lessee is so prevented shall not be counted against Lessee. Lessee shall advise Lessors in writing within thirty (30) days of the date Lessee claims any obligation is suspended, setting forth in reasonable detail such facts as Lessee relies upon to make the provisions of this paragraph applicable and Lessee must make every reasonable attempt to cure any force majeure event on an ongoing basis during such period of force majeure. To the extent any law, rules, regulations or orders are less restrictive than the terms of this Lease, this Lease shall control.

13. **RELEASE AND VERTICAL PUGH CLAUSE.** Lessee may, at any time and from time to time, deliver to Lessors in recordable form or file of record a written release of this Lease as to a full or undivided interest in all or any portion of the area covered by this Lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. In any event, upon termination of this Lease, Lessee, its successors or assigns, shall deliver to Lessors a recordable release as to such portion or portions of this Lease which have terminated under the terms of this Lease. Upon the expiration of the primary term of this Lease, upon the expiration of any extension or renewal of the primary term, or after cessation of operations as provided herein, whichever occurs last, this Lease shall terminate as to all rights lying below one hundred feet (100') below either (1) the deepest depth drilled in any well drilled on the leased premises or on lands pooled therewith or (2) the stratigraphic equivalent of the base of the deepest formation producing or capable of producing in any well drilled on the leased premises or on lands pooled therewith, whichever is the deepest; provided, however, if Lessee is then engaged in operations on the leased premises or on lands pooled therewith, this Lease shall remain in full force and effect as to all depths so long as no more than ninety (90) days elapse between operations.

14. **NOTICES.**

(a) To Lessee. All notices to Lessee from Lessors shall be sent to the following address:

Producer/Driller: XTO Energy Inc.
Address: 810 Houston Street
City/St/Zip: Fort Worth, Texas 76102

Lessors shall be notified in writing of any change of address, or of the party to receive notice on behalf of Lessee.

(b) To Lessors. Lessors shall be notified at the addresses shown on Schedule I attached hereto. Lessors shall notify Lessee of any change of address for notification purposes.

15. **WARRANTY.** Lessor makes no warranty of any kind with respect to title to the surface or mineral estate in the leased premises or any portion of or interest therein. All warranties that might arise by common law or by statute, including but not limited to § 5.023 of the Texas Property Code (or its successor), are excluded. By acceptance of this Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the leased premises. Lessee assumes all risk of title failures.

16. **NOISE.** Noise levels and restrictions associated with Lessee's operations on any drill site utilized for the development of the Pooled Unit shall conform to the City of Fort Worth Drilling Ordinance, as amended (the "Ordinance") inclusive of any Federal regulations governing noise production to the extent not pre-empted by Texas law; provided, however, said noise levels shall never exceed the following:

(a) No well drilled which affects the leased premises shall create noise levels, when measured from the nearest residence covered by this Lease, which exceed the Ambient Noise Level (as defined in the Ordinance) by more than five decibels during daytime hours and more than three decibels during nighttime hours. Fracing operations may not exceed the Ambient Noise Level by more than ten decibels. Backflow operations may not exceed the Ambient Noise Level by more than five decibels during nighttime hours.

(b) Adjustments to the noise standards as set forth above may be permitted in accordance with the following:

- (i) A permitted increase of five decibels for a cumulative period not to exceed 15 minutes during a one hour period.
- (ii) A permitted increase of ten decibels for a cumulative period not to exceed five minutes during a one hour period.

- (iii) A permitted increase of 15 decibels for a cumulative period not to exceed one minute during a one hour period.
- (iv) A permitted increase of 20 decibels for a cumulative period not to exceed one minute during a one hour period.

17. **COMPRESSORS.** Lessee shall not locate compressors for the compression of gas within the Leased Premises, save and except the tracts which are more particularly described on attached Exhibit B, which are within the boundaries of the Leased Premises.

18. **DUST, VIBRATION AND ODORS.** Lessee's operations on any drill site or other facility utilized for the development of the Pooled Unit shall be conducted in such a manner as to comply with the City of Fort Worth Drilling Ordinance, as amended, regarding dust, vibration, or noxious odors on the Leased Premises.

19. **LIGHTS.** Lessee shall comply with the City of Fort Worth Drilling Ordinance, as amended, as it relates to all lighting on any drill site or other facility utilized for the development of the Pooled Unit.

20. **WAIVER.** No waiver of any of the provisions of this lease shall be deemed or constitute a waiver of any other provision of this lease, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Likewise, the failure of Lessors to enforce any provision of this lease shall not be deemed nor shall constitute a waiver of the right of Lessors to enforce such provision.

21. **DRILL SITE.** (a) Lessee agrees that at no time will a well be drilled from a location within the Leased Premises, save and except the tracts which are more particularly described on attached Exhibit B, which are within the boundaries of the Leased Premises. All drill sites will comply with all requirements of the City of Fort Worth Landscape Ordinance. Lessee further agrees that access to and from the drill site will not be from any residential street or right of way without the written approval of 100% of the affected property owners.

22. **LAW AND VENUE.** The rights and duties of the parties under this lease shall be governed by the laws of the State of Texas. Venue for any action to enforce Lessee's obligations hereunder shall lie in Tarrant County, Texas

23. **HEADINGS.** The paragraph headings in this lease are for convenience only, and shall not be considered in interpretation or construction of any provision of this lease.

24. **SUCCESSORS AND ASSIGNS.** All terms, provisions and obligations of this lease shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, legal representatives, administrators, permitted successors and assigns.

25. **ATTORNEYS' FEES.** If either party is forced to hire legal representation to enforce any express or implied obligation of this lease or defend any allegation of breach, and receives a favorable judgment from a court of competent jurisdiction, then the non-prevailing party shall reimburse the prevailing party for all costs of such legal proceedings, including reasonable attorneys' fees, expert witness fees and all costs.

26. **COMPLIANCE WITH LAW.** Lessee covenants that it will strictly comply with all applicable laws, regulations and ordinances in conducting all operations under this lease.

27. **LESSORS' ACCESS TO INFORMATION.** Upon written request, Lessee shall make available to Lessors' nominee for review at Lessee's offices: (1) the daily drilling reports for each Pooled Unit well; and, (2) any title opinions and/or division order opinions, abstracts or other records or opinions reflecting upon any of the Lessors' title to the leased premises. Lessors' nominee may review, at Lessee's principal offices, all filings with the Railroad Commission of Texas, and any other governmental agency, including logs, and other test results of the potential of the Leased Premises to produce oil or gas. All of the foregoing information that is not available to the public shall be kept confidential by Lessors during the term of this Lease.

28. **ENCUMBRANCES.** This lease is subject to all licenses, permits, easements, rights of way, surface leases, restrictive covenants, and other contracts of Lessors, or their predecessors in interest, affecting the Leased Premises.

29. **COUNTERPARTS.** This lease may be executed in multiple counterparts, all of which shall be deemed to constitute one instrument.

30. **PROPORTIONATE REDUCTION.** If Lessor owns a mineral interest in the Leased Premises less than the entire mineral estate, the royalties to be paid Lessor shall be reduced proportionately.

31. **SUBORDINATION.** Notwithstanding anything contained herein to the contrary, neither Lessee nor Lessee's assigns shall ever require a subordination, partial release of lien, release of lien, consent or other documentation from any lender of Lessors that has a lien on said land as a condition to Lessors receiving any subsequent royalty payment, unless the wellbore penetrates the leased premises or is located within 330 feet from the leased premises, in which case Lessee shall notify Lessor. However, Lessors will cooperate with any reasonable effort of Lessee, at Lessee's sole expense, to obtain same from Lessors' lender on behalf of Lessors. In the event Lessee is unable to obtain a subordination agreement from any lien holder of a lien affecting the leased premises, Lessee is hereby permitted to discharge any tax, mortgage, or other lien or interest and other charges on the leased premises, and in the event Lessee does so, Lessee will have the option of applying the royalties accruing to Lessors toward payment of same and Lessee shall be subrogated to the rights of the holder thereof. In the event Lessee must exercise its discharging rights herein granted, Lessee shall provide prior written notice to Lessor.

32. **AMENDMENT OF THIS LEASE.** In the event it is necessary to amend any legal description of a tract covered by this Lease, Lessee shall only be required to obtain the Amendment from the owner of the affected tract. In the event it becomes necessary to amend any other provision of this Lease, Lessee shall be required to obtain signatures for the Amendment from (66.67%) of the undersigned parties.

33. **OFFSITE OPERATIONS.** As a result of land development in the vicinity of the lease premises, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on the lease premises or other leases in the vicinity, it is

agreed that any such operations conducted at a surface location off of the lease premises or off of lands with which the lease premises are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under the lease premises or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on the lease premises. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.


34. **WELL COMMITMENT.** In the event Lessee fails to drill three wells attributable to the leased premises within the primary term of this Lease, and if this Lease is otherwise maintained at the expiration of the primary term, Lessee hereby agrees to drill an additional well or wells within one year after the expiration of the primary term, to insure that there are at least three wells attributable to the leased premises. If this Lease remains in force after the expiration of the primary term, and Lessee has failed to drill two additional wells attributable to the leased premises within one year from the expiration of the primary term, Lessee shall pay liquidated damages in the amount of \$200,000 for each well not drilled within one year after the expiration of the primary term, which shall be divided equally among the undersigned parties. For example, if this Lease is maintained by a single well at the expiration of the primary term, Lessee hereby agrees to drill two additional wells within one year after the expiration of the primary term. If, at the expiration of the primary term, Lessee has drilled two wells attributable to the leased premises, Lessee hereby agrees to drill one additional well within one year from the expiration of the primary term. If Lessee has drilled three or more wells attributable to the leased premises before the expiration of the primary term, Lessee is not obligated to drill additional wells attributable to the leased premises. The liquidated damages described herein shall be in lieu of releasing any acreage covered by this Lease.

ORIGINAL

IN WITNESS WHEREOF, this instrument is executed to be effective as of the date stated herein.

LESSEE:

XTO Energy Inc., a Delaware corporation

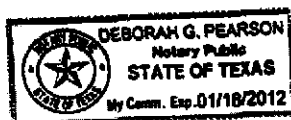
By: Edwin S. Ryan, Jr. 
Edwin S. Ryan, Jr.
Senior Vice President - Land Administration

LESSORS:

See signatures, addresses and
acknowledgements on Schedule I attached hereto.

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

The foregoing instrument was acknowledged before me this 19th day
of March 2008, by Edwin S. Ryan, Jr., as
Sr. VP-Land Administration of XTO Energy Inc., a Delaware corporation, on behalf
of said corporation



Deborah G. Pearson
Notary Public, State of Texas

EXHIBIT "A"
Leased Premises

Being a 4,142 acre tract of land situated in and being a part of the following Abstract Surveys: J. Sanderson Survey, Abstract 1430; E. Daggett Survey, Abstract 431; W. Mann Survey, Abstract 996; J. Sublett Survey, Abstract 1409; J. Ringer Survey, Abstract 1287; J. Armendaris Survey, Abstract 1773; W. McFadin Survey, Abstract 1076; E. Johnson Survey, Abstract 852; J. Lynch Survey, Abstract 942; P. Welch Survey, Abstract 1642; J. Blackwell Survey, Abstract 148; P. Anderson Survey, Abstract 32; J. Purvis Survey, Abstract 1228; W. Edwards Survey, Abstract 471; W. White Survey, Abstract 2019; MFG. CO. Survey, Abstract 1783; W. Tandy Survey, Abstract 1538; J. Cole Survey, Abstract 317; E. Jones Survey, Abstract 841; A. Jordan Survey, Abstract 888; M. Garrison Survey, Abstract 597; P. Ahlers Survey, Abstract 33; D. Dulany Survey, Abstract 411; G. Butt Survey, Abstract 117; W. Hudson Survey, Abstract 718; C. Johnson Survey, Abstract 872; J. Balch Survey, Abstract 82; J. H. Survey, Abstract 1822; J. Martin Survey, Abstract 1133; J. Brandon Survey, Abstract 209; D. Helms Survey, Abstract 812; W. Baker Survey, Abstract 101; W. Mann Survey, Abstract 995; R. Collins Survey, Abstract 351; I. Caradine Survey, Abstract 357; S. Jennings Survey, Abstract 843; Tarrant County, Texas and being described as follows:

Beginning at a point in the centerline intersection of Interstate Highway 30 and Riverside Drive;

Thence departing said intersection, in a northeasterly direction, and along the centerline of said Interstate Highway 30, crossing Beach Street at its intersection with Interstate Highway 30, crossing Oakland Boulevard at its intersection with Interstate Highway 30, crossing Bridgewood Drive at its intersection with Interstate Highway 30, and continuing along the centerline of said Interstate Highway 30 to its centerline intersection with Loop 820;

Thence departing the intersection of Interstate Highway 30 and Loop 820, in a southwesterly direction, and along the centerline of Loop 820, crossing Brentwood Stair Road at its intersection with Loop 820, crossing Meadowbrook Drive at its intersection with Loop 820, crossing East Lancaster Avenue at its intersection with Loop 820 and continuing along the centerline of said Loop 820 to its centerline intersection with the Union Pacific Railroad right-of-way;

Thence departing the intersection of Loop 820 and the Union Pacific Railroad right-of-way, in a northwesterly direction, and along the centerline of the Union Pacific Railroad right-of-way, crossing Tierney Road at its intersection with the Union Pacific Railroad right-of-way, crossing Oakland Boulevard at its intersection with the Union Pacific Railroad right-of-way, crossing Ayers Avenue at its intersection with the Union Pacific Railroad right-of-way, crossing Beach Street at its intersection with the Union Pacific Railroad right-of-way, and continuing along the centerline of said Union Pacific Railroad right-of-way to its centerline intersection with the aforementioned Riverside Drive;

Thence departing the intersection of the Union Pacific Railroad right-of-way and Riverside Drive, in a Northerly direction, and along the centerline of said Riverside Drive, crossing East Lancaster Avenue at its intersection with Riverside Drive, and continuing along the centerline of said Riverside Drive to the place of beginning and containing 4,142 gross acres of land more or less; save and except three tracts of land being 36 acres more or less, and leaving a net total of 4,106 acres of land more or less.

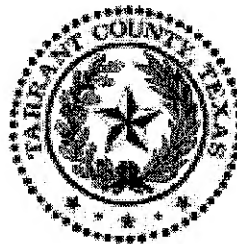
END OF EXHIBIT "A"

EXHIBIT "B"

8.93 acres of Block 2A; lots 1R-16R, lot A, lot B, lot D, and a portion of lot C, Block 3A, and Block 4A of the W. Q. Kuykendall Consolidated Subdivision recorded in Volume 388-11 Page 104 of the Plat Records of Tarrant County, Texas;

21.04 acres being all of that certain called Tenison Industrial Addition a subdivision of Tarrant County, Texas, and all of that certain called Jack Elkins Subdivision a subdivision of Tarrant County, Texas;

END OF EXHIBIT "B"



COLT EXPLORATION CO INC
512 MAIN 309

FTW TX 76102

Submitter: COLT EXPLORATION CO, INC

SUZANNE HENDERSON
TARRANT COUNTY CLERK
TARRANT COUNTY COURTHOUSE
100 WEST WEATHERFORD
FORT WORTH, TX 76196-0401

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 10/07/2008 11:01 AM
Instrument #: D208384171
LSE 17 PGS \$76.00

By: _____



D208384171

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: WD